CAROLINA, CLINCHFIELD AND OHIO RAILWAY

THIRD ANNUAL REPORT

TO THE

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TABLE OF CONTENTS

PAGE

Board of Directors and Officers 5
Official Statement 7-11
General Income Account 14
Profit and Loss Statement 15
Statement of Funded Debt 16
Statement of Securities Owned 17

General Balance Sheet:

  Assets 18
  Liabilities 19
Itemized Statement—Operating Expense 21-22

Traffic Train and Car Statistics:

  Passenger Traffic 23
  Revenue Coal Traffic 23
  Revenue Merchandise Traffic 23
  Total Revenue Freight Traffic 24
  Traffic Revenue and Operating Expense 24
Classification of Revenue Tonnage 25
List of New Industries Added During Year 26
Operating Revenues and Expenses for Years 1910 to 1913, inclusive 27
Monthly Revenue and Expense 28-29
Mileage Statement 30
Sidings, Spurs and Additional Yard Tracks 31
Additions and Betterments—Financial Statement with List of Principal Items 32

Equipment:

  Locomotives 33
  Passenger Train Cars 33
  Freight Train Cars 34
  Performance 35
  Locomotive and Train Mileage 36
  Car Mileage and Statistics 36

Maintenance of Way:

  Rail Statement 37
  Ballast Statement 38
Material and Supplies on Hand 39

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

BOARD OF DIRECTORS

EDWARD D. ADAMS
C. LEDYARD BLAIR
GEO. L. CARTER
JOHN B. DENNIS
WALLACE B. DONHAM
ISAAC T. MANN
MARK W. POTTER, *Chairman*
NORMAN B. REAM
ROBERT C. REAM
W. M. RITTER
WALTER T. ROSEN
THOS. F. RYAN
E. F. WATSON
W. K. WHIGHAM

EXECUTIVE OFFICERS

MARK W. POTTER,	*President*
J. J. CAMPION,	*Vice-President and Traffic Manager*
I. McQUILKIN,	*Comptroller*
CARL M. OWEN,	*Secretary*
S. K. LINDSAY,	*Treasurer*

GENERAL OFFICERS

J. NORMENT POWELL,	*General Counsel*
L. H. PHETTEPLACE,	*General Superintendent*
WARD CROSBY,	*Chief Engineer*

GENERAL OFFICE,	JOHNSON CITY, TENN.
NEW YORK OFFICE,	24 BROAD STREET.

THIRD ANNUAL REPORT.

New York, November 1, 1913.

To the Stockholders of the

Carolina, Clinchfield and Ohio Railway:

The Third Annual Report of the Board of Directors, for the fiscal year ended June 30, 1913, is submitted herewith.

MILEAGE

	MILES
Main line: Dante, Va., to North Carolina—South Carolina State Line.	224.10
Branch: Kiser, Va., to Laurel Junction, Va.	5.60
Trackage rights over Norfolk & Western Railway, Kiser, Va., to St. Paul, Va.	8.45
	238.15
Carolina, Clinchfield and Ohio Railway of South Carolina owns and operates	17.95
Total on which regular train service is maintained	256.10

As stated in previous annual reports, the earnings of Carolina, Clinchfield and Ohio Railway of South Carolina are controlled by ownership of securities, and, for convenience, the results of the operation of the entire mileage described above are dealt with as a whole.

GENERAL RESULTS

A summary of the results of operation is shown below:

Operating Revenue (increase $312,831.24, or 13.47%)	$2,634,634 54
Operating Expenses (increase $57,903.91, or 5.46%)	1,118,629 83
Net Operating Revenue (increase $254,927.33, or 20.22%)	$1,516,004 71
Taxes (increase $20,341.14, or 23.48%)	106,978 42
	$1,409,026 29
Miscellaneous Income (increase $181,620.64, or 184.22%)	280,211 35
Total Income (increase $416,206.83, or 32.69%)	$1,689,237 64
Interest, rentals and other fixed charges (decrease $143,980.62)	946,923 57
Income carried to Profit and Loss (increase $560,185.45)	$742,314 07

The complete Income Account appears in the appendix.

OPERATING REVENUES

MERCHANDISE FREIGHT OTHER THAN COAL

The revenue from transportation of merchandise freight amounted to seven hundred ninety-four thousand five hundred eighty-four dollars and twelve cents ($794,584.12), being an increase of two hundred twenty-seven thousand eight hundred fifty-one dollars and seventy-seven cents($227,851.77) as compared with the previous year.

The tonnage moved was 805,036 tons, an increase of 300,009 tons as compared with the previous year.

The number of tons carried one mile amounted to 63,863,486, an increase of 24,972,853 ton miles, or 64.21 per cent.

The average haul increased from 77.01 to 79.33 miles, an increase of 2.32 miles.

The Percentage of Revenue derived from the transportation of merchandise freight to Gross Revenue was 30.16 per cent., an increase of 5.75 per cent., as compared with the previous year.

COAL FREIGHT

From transportation of coal there was derived the sum of one million five hundred eighty-two thousand eight hundred thirty-six dollars ($1,582,836.00), an increase of forty-five thousand five hundred seventy-eight dollars and twenty-nine cents ($45,578.29).

The coal tonnage transported amounted to 1,688,811 tons, an increase of 34,673 tons over previous year.

The number of tons carried one mile amounted to 343,618,877, a decrease of 8,173,646 ton miles, or 2.32 per cent.

The average haul decreased from 212.67 to 203.47 miles, a decrease of 9.20 miles.

The percentage of Coal Revenues to Gross Revenues was 60.08 per cent., a decrease of 6.13 per cent.

ENTIRE FREIGHT TRAFFIC

The total freight revenue derived was two million three hundred seventy-seven thousand four hundred twenty dollars and twelve cents ($2,377,420.12), an increase of two hundred seventy-three thousand four hundred thirty dollars and six cents ($273,430.06).

Combining merchandise and coal, the entire freight traffic amounted to 2,493,847 tons, being an increase of 334,682 tons.

The number of tons carried one mile was 407,482,363, an increase of 16,799,207 ton miles, or 4.3 per cent.

The average distance carried was 163.40 miles, a decrease of 17.54 miles.

The average revenue per ton was 95.33 cents, as against 97.44 cents last year, being a decrease of 2.11 cents.

The total freight train mileage was 353,000, a decrease of 15,905 miles.

The average train load of revenue freight was 1,154.34 tons, an increase of 95.31 tons.

The average number of tons of revenue freight in each loaded car was 38.91 tons, a decrease of 1.15 tons.

In addition to the above tonnage, company's freight amounted to 147,986 tons, being an increase of 28,606 tons.

PASSENGER TRAFFIC

From Passenger Traffic, the revenue derived was two hundred two thousand one hundred two dollars and eighty-three cents ($202,102.83), an increase of thirty-four thousand seven hundred sixty-nine dollars and twenty-two cents ($34,769.22).

Total number of passengers carried was 403,432, an increase of 72,456.

The number of passengers carried one mile was 9,143,487, an increase of 2,144,902, or 3.06 per cent.

The average distance traveled by each passenger was 22.66 miles, an increase of 1.51 miles.

The average revenue paid by each passenger was 50.10 cents, a decrease of 0.46 cents.

Passenger train mileage was 370,890, a decrease of 881 miles.

EXPRESS REVENUE

Express revenue amounted to twelve thousand two hundred ninety-one dollars and twenty-nine cents ($12,291.29) an increase of one thousand three hundred thirty-two dollars and ninety-six cents ($1,332.96).

MAIL REVENUE

The revenue derived from carrying United States mail was twelve thousand two hundred sixty-four dollars and thirty-seven cents ($12,264.37), an increase of eight hundred eighty-four dollars and eighty-six cents ($884.86).

MISCELLANEOUS REVENUES

These consist of revenues derived from chartered trains, other passenger train revenue, switching revenue, station and train privileges, storage on freight and baggage, car service, telephone service, rents of buildings and property, and miscellaneous, and amount to thirty thousand, five hundred fifty-five dollars and ninety-three cents ($30,555.93), an increase of two thousand four hundred fourteen dollars and fourteen cents ($2,414.14).

OPERATING EXPENSES

MAINTENANCE OF WAY

The expenditure for Maintenance of Way and Structures amounted to $181,825.10 or $709.98 per mile operated. The expenditure for Maintenance of Way and Structures for the previous year was $655.09 per mile operated. The increase is $54.89 or 8.38 per cent. and is due to the increased traffic. The property has been fully maintained in every respect.

MAINTENANCE OF EQUIPMENT

The total expenses for Maintenance of Equipment during the year amounted to $260,711.05, an increase over the previous year of $4,193.27 or 1.63 per cent. This increase of expense is due to the increase in the amount of equipment in service and the growth of traffic. Included in the expenses for the year is an arbitrary charge for depreciation of equipment, in compliance with the accounting regulations of the Interstate Commerce Commission.

New equipment purchased during the year was charged to Additions and Betterments. The equipment acquired consisted of 6 Mallet locomotives, 3 Pacific Type locomotives and 1,000 steel 50-ton Hopper Cars. The changes in equipment and the unit costs of maintenance are fully shown in the equipment list shown elsewhere.

TRAFFIC EXPENSES

The expenditures under this heading amounted to $96,763.26, an increase of $13,827.78 over the previous twelve months. This is due to increased expenditures for solicitation of traffic, and while the total traffic expenditures are heavy for the mileage of the road, it is believed a liberal policy is advisable at the present time to develop, secure and establish our share of competitive business.

CONDUCTING TRANSPORTATION

The total cost of conducting transportation was $466,973.45, an increase over the previous year of $10,047.51, or 2.2 per cent. This is due to increase of traffic; the increase in the revenue ton-miles over the previous year being 4.3 per cent. The ratio of transportation expenses to total operating revenues was 17.72 per cent. as compared with 19.68 per cent. last year, a decrease of 1.96 per cent.

GENERAL EXPENSES

The expenditures for general administration were for the year, $112,356.97 as compared with $96,575.36 for the previous year, an increase of 16.34 per cent.

CAPITAL STOCK

On July 1, 1912, the Common Stock was increased by $5,000,000.00, making the total issue $25,000,000.00. This issue was taken by The Cumberland Corporation, the consideration being $1,200,000.00 par value of this Company's Ten Year Five Per Cent. Gold Notes, cash advances made to this Company, and in settlement of payments made by that corporation for principal and interest of other obligations of Carolina, Clinchfield and Ohio Railway, also Capital Stocks and Bonds of Subsidiary Corporations included in Statement of Securities Owned as shown on page 17. Amendment to the charter authorizing issue of above stock was approved by the Board of Directors May 23, 1912, the amendment being granted by the State Corporation Commission of Virginia on June 3, 1912.

On July 1, 1912, $5,000,000.00 of Common Stock was issued in lieu of a like amount of Preferred Stock held by The Cumberland Corporation. This issue was authorized by the Board of Directors May 23, 1912.

The Capital Stock of Carolina, Clinchfield and Ohio Railway on June 30, 1913, consisted of:

250,000 shares Common Stock, par value $100 each	$25,000,000
100,000 shares Preferred Stock, par value $100 each	10,000,000
Total	$35,000,000

FINANCIAL

$1,000,000.00 of First Mortgage Five Per Cent. Gold Bonds were sold in July, 1912, and proceeds of sale were used to retire Collateral Trust Gold Notes for $1,000,000.00 due July 1, 1912.

$486,000.00 First Mortgage Five Per Cent. Gold Bonds were sold to The Cumberland Corporation, the proceeds being applied in adjustment of accounts between the two companies.

On August 1, 1912, Collateral Notes dated February 15, 1911, for $41,300.00, were paid in cash.

Under date of July 11, 1912, The Cumberland Corporation, which is the owner of entire capital stock of Carolina, Clinchfield and Ohio Railway, except Directors' shares, delivered this Company $1,200,000.00 in principal amount of Ten Year Five Per Cent. Gold Notes of Carolina, Clinchfield and Ohio Railway owned by them. These notes were retired and cancelled, reducing the outstanding obligations by a corresponding amount.

On the same date The Cumberland Corporation delivered to Carolina, Clinchfield and Ohio Railway, to be cancelled and retired, $600,000.00 par value Carolina, Clinchfield and Ohio Railway Ten Year Five Per Cent. Gold Notes, and $797,556.75 par value Elkhorn Southern Railway Five Per Cent. First Mortgage Notes, which securities were delivered this Company for cancellation as an off-set to certain amounts due by The Cumberland Corporation to the Railway.

The increased volume of business necessitated additional equipment, and there were purchased

- 1,000 all-steel hopper cars,
- 6 Mogul Mallet freight locomotives,
- 3 Pacific type passenger locomotives,

at a cost of $1,385,761.59, of which amount $386,761.59 was paid in cash and an issue made of $1,000,000.00 principal amount of equipment trust certificates, Series C, bearing five per cent. interest and payable in twenty semi-annual instalments of $50,000.00 each on the first day of February and August in each year, commencing on February 1, 1913, and ending on August 1, 1922.

There were issued during the year $2,200,000.00 in principal amount of Elkhorn Extension First Mortgage Five Per Cent. Gold Notes, the proceeds being applied to the construction of the extension from Dante, Virginia, to Elkhorn City, Kentucky.

GENERAL REMARKS

The character of construction of the railway and a description of the types of equipment purchased, together with the advantageous position of the Carolina, Clinchfield and Ohio Railway as a direct economical route between the Middle West and a portion of Tennessee, the Carolinas, Georgia and Florida, and for commerce through the South Atlantic ports, have been dealt with at length in previous reports. The volume of business thus far attained and the economy of operation have demonstrated the wisdom of the character of construction and equipment adopted.

The business of the Company has shown a steady increase of volume, with a steady reduction of operating expense. A continued increase in business is confidently expected, and increased volume should further reduce the unit of operating cost.

The policy of encouraging new industries has been energetically followed, with gratifying results.

Notwithstanding the low cost of operation, including maintenance, the roadway and equipment have been maintained in a high state of efficiency. The superior initial construction, along the lines of the best modern standards, has made this possible.

A liberal policy has been pursued in replacing wooden tunnel linings with concrete, and wooden bridges with permanent structures of concrete and steel.

Owing to pressure of other business, Mr. Frank A. Vanderlip resigned as a Director on June 19, 1913. No successor to Mr. Vanderlip has as yet been elected.

Mr. S. K. Lindsay was elected Treasurer on December 19, 1912, succeeding Mr. J. C. Stone, resigned.

The Board acknowledges the fidelity and efficiency of the officers and employees of the Company.

For the Board of Directors,

MARK W. POTTER,

President.

STATEMENTS AND STATISTICS

GENERAL INCOME ACCOUNT

CAROLINA, CLINCHFIELD AND OHIO RAILWAYS

FOR THE YEAR ENDED JUNE 30, 1913, AND COMPARISON WITH PREVIOUS YEAR

	1913	1913	1912	INCREASE OR DECREASE.
OPERATING REVENUES				
Freight	$2,377,420 12		$2,103,990 06	$273,430 06
Passenger	202,102 83		167,333 61	34,769 22
Mail	12,264 37		11,379 51	884 86
Express	12,291 29		10,958 33	1,332 96
Miscellaneous	30,555 93		28,141 79	2,414 14
Total operating revenues		$2,634,634 54	$2,321,803 30	$312,831 24
OPERATING EXPENSES				
Maintenance of way and structures	$181,825 10		$167,768 36	$14,056 74
Maintenance of equipment	260,711 05		256,517 78	4,193 27
Traffic expenses	96,763 26		82,938 48	13,824 78
Transportation expenses	466,973 45		456,925 94	10,047 51
General expenses	112,356 97		96,575 36	15,781 61
Total operating expenses		1,118,629 83	$1,060,725 92	$57,903 91
Ratio of operating expenses to operating revenues		42.45%	45.69%	
NET OPERATING REVENUE		$1,516,004 71	$1,261,077 38	$254,927 33
TAXES		106,978 42	86,637 28	20,341 14
OPERATING INCOME		$1,409,026 29	$1,174,440 10	$234,586 19
MISCELLANEOUS INCOME				
Hire of equipment	$277,861 58		96,315 01	$181,546 57
Rental of leased rail	2,349 77		2,275 70	74 07
Total miscellaneous income		280,211 35	$98,590 71	$181,620 64
		$1,689,237 64	$1,273,030 81	$416,206 83
From which deduct:				
Interest on loans and accounts	$23,810 80		$60,421 46	D *$36,610 66*
Rental of joint facilities	8,538 90		8,659 51	D *120 61*
		32,349 70	$69,080 97	D *36,731 27*
TOTAL INCOME		$1,656,887 94	$1,203,949 84	$452,938 10
DEDUCTIONS FROM INCOME				
Interest on funded debt	$761,351 65		$887,196 23	D *125,844 58*
Interest on equipment trusts	153,222 22		134,624 99	18,597 23
		914,573 87	$1,021,821 22	D *$107,247 35*
Net income		$742,314 07	$182,128 62	$560,185 45

PROFIT AND LOSS STATEMENT, YEAR ENDED JUNE 30, 1913

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

CREDITS		
Ten Year Five Per Cent. Gold Notes delivered this Company by The Cumberland Corporation	$1,200,000 00	
Miscellaneous adjustment of accounts	4,363 96	
Credit balance from income account for the year	837,332 38	
Total Credits		$2,041,696 34
DEBITS		
Balance July 1, 1912	$504,005 43	
Discount on Securities	556,663 34	
Property retired during year (side tracks)	4,806 13	
Reserve for taxes	50,000 00	
Dividend No. 1 on Preferred Stock	300,000 00	
Total Debits		1,415,474 90
Credit Balance, June 30, 1913		$626,221 44

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA

DEBITS		
Balance, July 1, 1912	$301,717 14	
Debit balance from income account for the year	95,018 31	
Reserve for taxes	5,000 00	
Debit balance, June 30, 1913		$401,735 45

STATEMENT OF FUNDED DEBT AND EQUIPMENT NOTES, JUNE 30, 1913

Liens Created by	Character of Lien	Amount Outstanding	Date of Maturity	Rate per Annum	Date Payable	Interest Accrued During Year
Carolina, Clinchfield and Ohio Ry.	First Mortgage Coupon Bonds Convertible to Registered (1)	$13,000,000	June 1, 1938	5%	June and Dec.	$648,851 65
Carolina, Clinchfield and Ohio Ry.	Ten Year Coupon Notes	2,000,000	July 1, 1919	5%	Jan. and July	102,500 00
Lick Creek & Lake Erie R. R. Co.	First Mortgage Coupon Bonds (2)	200,000	Jan. 1, 1933	5%	Jan. and July	10,000 00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes, Series A	1,430,000	$130,000 Matures June 1st and Dec. 1st	5%	June and Dec.	80,166 67
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series B	700,000	$50,000 Matures Jan. 15th and July 15th	5%	Jan. and July	36,458 33
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series C	950,000	$50,000 Matures Feb. 1st and Aug. 1st.	5%	Feb. and Aug.	36,597 22
Carolina, Clinchfield and Ohio Ry.	Elkhorn Extension, First Mortgage Gold Notes (3)	2,200,000	May 1, 1917	5%	May and Nov.	48,430 56
	Total	$20,480,000				$963,004 43
Less Interest on Elkhorn Extension First Mortgage Gold Notes charged to Construction						48,430 56
Net charges against Income						$914,573 87

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA.

Carolina, Clinchfield and Ohio Ry. of South Carolina	First Mortgage Coupon Bonds	$3,000,000	June 1, 1938	5%	June and Dec.	$150,000 (4)

(1) Does not include $150,000 held in treasury.

(2) Includes $5,000 owned by C., C. & O. Ry.

(3) Total issue authorized $5,500,000.

(4) Accrues to C., C. & O. Ry.

STATEMENT OF SECURITIES OWNED, JUNE 30, 1913

	Bonds	Each	Par Value	Total
Bonds				
Carolina, Clinchfield and Ohio Railway of South Carolina	3,000	$1,000 00	$3,000,000 00	
Lick Creek and Lake Erie Railroad	5	1,000 00	5,000 00	
				$3,005,000 00
Stock	Shares.			
Southport Harbor Co.	20,000	100 00	$2,000,000 00	
Spartanburg Land Co.	7,500	100 00	750,000 00	
South & Western Ry. Co. Consolidated	1,000	100 00	100,000 00	
South & Western Ry. Co. of N. C.	1,000	100 00	100,000 00	
Lick Creek and Lake Erie Railroad	1,000	100 00	100,000 00	
South & Western R. R. Co. (N. C.)	290	100 00	29,000 00	
Elkhorn Southern Ry.	50	100 00	5,000 00	
Carolina, Clinchfield and Ohio Ry. of Kentucky	50	100 00	5,000 00	
Clinchfield Northern Ry.	50	100 00	5,000 00	
Clinchfield Northern Ry. of Kentucky	50	100 00	5,000 00	
South & Western R. R.	10	100 00	1,000 00	
				3,100,000 00
Total Par Value				$6,105,000 00
Book Value				$5,757,361 41

GENERAL BALANCE SHEET

CAROLINA, CLINCHFIELD

ASSETS

PROPERTY OWNED AS INVESTMENT		
Physical property owned		
Road and equipment since June 30, 1907		
Road	$41,601,970 58	
Construction of Elkhorn Extension	2,132,623 81	
Equipment	6,237,797 83	
General expenditures	322,589 99	
	$50,294,982 21	
Reserve for Accrued Depreciation on equipment	239,966 82	
		$50,055,015 39
SECURITIES OWNED		
First mortgage bonds C. C. & O. Ry. of S. C.	$3,000,000 00	
Miscellaneous securities	2,757,361 41	
		5,757,361 41
WORKING ASSETS		
Cash	$453,027 83	
Traffic and car service balances due from other companies	150,761 25	
Net balance due from agents and conductors	49,565 10	
Miscellaneous accounts receivable	418,453 23	
Matured interest on bonds of C. C. & O. Ry. of S. C	512,500 00	
Materials and supplies	209,146 46	
Other working assets	63,786 26	
		1,857,240 13
ACCRUED INTEREST NOT DUE		
Unmatured interest receivable		15,016 67
DEFERRED DEBIT ITEMS		
Insurance paid in advance	$2,463 64	
Other deferred debit items	218,337 79	
		220,801 43
Total Assets		$57,905,435 03

CAROLINA, CLINCHFIELD AND OHIO

PROPERTY OWNED AS INVESTMENT		
Physical property owned		
Road and equipment since June 30, 1907		
Road		$3,033,107 98
WORKING ASSETS		
Cash	$3,135 99	
Traffic and car service balances due from other companies	32,998 76	
Net balance due from agents and conductors	15,550 17	
Miscellaneous accounts receivable	189,214 55	
		240,899 47
DEFERRED DEBIT ITEMS		
Other deferred debit items		1,114 24
PROFIT AND LOSS		401,735 45
Total Assets		$3,676,857 14

JUNE 30, 1913

AND OHIO RAILWAY

LIABILITIES

Stock			
Capital stock			
Common stock		$25,000,000 00	
Preferred stock	$12,000,000		
Less—Amount held in treasury	2,000,000		
		10,000,000 00	
			$35,000,000 00
Mortgage, Bonded and Secured Debt			
Funded debt			
First Mortgage Five Per Cent. Gold Bonds	$13,150,000		
Less—Amount held in treasury	150,000		
		$13,000,000 00	
Ten Year Five Per Cent. Gold Notes		2,000,000 00	
Equipment Gold Notes, Series A		1,430,000 00	
Equipment Gold Notes, Series B		700,000 00	
Equipment Gold Notes, Series C		950,000 00	
L. C. & L. E. R. R. Co. First Mortgage Bonds		200,000 00	
Elkhorn Extension First Mortgage Five Per Cent. Gold Notes		2,200,000 00	
			20,480,000 00
Working Liabilities			
Bills Payable		$130,000 00	
Traffic and car service balances due to other companies		35,326 44	
Audited vouchers and wages unpaid		512,378 63	
Miscellaneous accounts payable		1,175 01	
Matured interest unpaid		3,375 00	
Working balance due to other companies		563,570 89	
			1,245,825 97
Accrued Liabilities Not Due			
Unmatured interest		$185,593 55	
Taxes accrued		50,000 00	
Contractors retained percentage		165,142 42	
			400,735 97
Deferred Credit Items			
Operating reserves		$32,681 81	
Other deferred credit items		119,969 84	
			152,651 65
Profit and Loss			626,221 44
Total Liabilities			$57,905,435 03

RAILWAY OF SOUTH CAROLINA

Stock		
Capital stock		
Common stock		$12,000 00
Mortgage, Bonded and Secured Debt		
First Mortgage Five Per Cent. Gold Bonds		3,000,000 00
Working Liabilities		
Traffic and car service balances due to other companies	$94,584 17	
Audited vouchers and wages unpaid	27,232 20	
Miscellaneous accounts payable	16 24	
Matured interest unpaid	525,000 00	
		646,832 61
Accrued Liabilities Not Due		
Unmatured interest payable	$12,500 00	
Taxes accrued	5,000 00	
		17,500 00
Deferred Credit Items		
Other deferred credit items		524 53
Total Liabilities		$3,676,857 14

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED JUNE 30, 1913, COMPARED WITH SAME PERIOD PREVIOUS YEAR

Accounts	Expenses for 1912-1913	Expenses for 1911-1912
Maintenance of Way and Structures	$181,825 10	$167,768 36
Maintenance of Equipment	260,711 05	256,517 78
Traffic Expenses	96,763 26	82,938 48
Transportation Expenses	466,973 45	456,925 94
General Expenses	112,356 97	96,575 36
Total	$1,118,629 83	$1,060,725 92
MAINTENANCE OF WAY AND STRUCTURES:		
Superintendence	$10,629 82	$13,163 49
Ballast	4,806 47	4,056 21
Ties	19,515 72	8,254 65
Rails	2,818 08	6,832 08
Other track material	3,775 02	6,778 53
Roadway and track	108,547 25	94,520 18
Removal of snow, sand and ice	52 41	290 59
Tunnels	1,980 34	5,128 19
Bridges, trestles and culverts	7,393 46	11,683 85
Over and under grade crossings	39 46	77 70
Grade crossings, fences, cattle guards and signs	426 12	1,339 52
Signals and interlocking plants	735 34	918 13
Telegraph and telephone lines	4,492 40	3,446 61
Buildings, fixtures and grounds	8,718 91	7,678 37
Roadway, tools and supplies	2,672 37	1,657 66
Injuries to persons	4,045 74	609 88
Stationery and printing	316 84	523 68
Other expenses	9 90	102 17
Maintaining joint tracks, yards and other facilities *Dr.*	1,087 46	806 85
Maintaining joint tracks, yards and other facilities *Cr.*	*238 01*	*99 98*
Total Maintenance of Way and Structures	$181,825 10	$167,768 36
MAINTENANCE OF EQUIPMENT:		
Superintendence	$13,309 55	$12,165 66
Steam locomotives—Repairs	86,660 02	106,616 63
Steam locomotives—Depreciation	5,608 44	3,607 98
Passenger-train cars—Repairs	12,749 04	9,753 51
Passenger-train cars—Renewals		1,957 12
Passenger-train cars—Depreciation	2,532 06	2,569 20
Freight-train cars—Repairs	89,493 32	73,413 14
Freight-train cars—Renewals	1,080 70	1,112 89
Freight-train cars—Depreciation	35,520 45	29,295 27
Work Equipment—Repairs	2,437 90	4,330 26
Work Equipment—Depreciation	516 58	530 40
Shop machinery and tools	9,580 80	9,738 36
Power plant equipment		86 30
Injuries to persons	721 14	615 17
Stationery and printing	501 05	690 96
Other expenses		34 93
Total Maintenance of Equipment	$260,711 05	$256,517 78

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED JUNE 30, 1913, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

Accounts	Expenses for 1912-1913	Expenses for 1911-1912
Traffic Expenses:		
Superintendence	$32,361 65	$31,330 90
Outside agencies	35,291 41	31,535 00
Advertising	4,502 77	4,482 83
Traffic associations	474 41	365 06
Industrial and immigration bureaus	12,714 39	5,406 66
Stationery and printing	11,401 01	9,804 98
Other expenses	17 62	13 05
Total Traffic Expenses	$96,763 26	$82,938 48
Transportation Expenses:		
Superintendence	$24,160 01	$20,234 23
Dispatching trains	6,917 81	6,110 06
Station employees	38,797 64	32,765 21
Weighing and car-service associations	1,362 10	936 32
Station supplies and expenses	5,058 18	4,291 79
Yard masters and their clerks	2,867 34	2,730 39
Yard conductors and brakemen	13,375 01	10,726 42
Yard switch and signal tenders	266 37	187 56
Yard supplies and expenses	1 59	70
Yard enginemen	9,333 42	8,006 24
Enginehouse expenses—Yard	1,778 99	1,636 21
Fuel for yard locomotives	6,277 33	6,563 54
Water for yard locomotives	230 84	272 01
Lubricants for yard locomotives	526 14	315 24
Other supplies for yard locomotives	343 89	197 90
Operating joint yards and terminals *Dr.*	2,145 64	3,813 44
Operating joint yards and terminals *Cr.*	*1,760 97*	*2,292 01*
Road enginemen	95,143 32	90,943 38
Enginehouse expenses—Road	17,249 74	18,207 73
Fuel for road locomotives	100,695 00	109,473 34
Water for road locomotives	4,990 91	5,427 67
Lubricants for road locomotives	4,081 95	4,800 12
Other supplies for road locomotives	3,532 33	3,296 00
Road trainmen	73,997 39	71,137 85
Train supplies and expenses	12,884 38	11,873 88
Crossing flagmen and gatemen	721 07	720 00
Clearing wrecks	1,805 40	5,514 92
Telegraph and telephone—operation	1,015 24	958 67
Stationery and printing	8,445 76	7,337 41
Other expenses	195 04	703 69
Loss and damage—Freight	6,263 01	5,827 16
Loss and damage—Baggage	210 75	2 50
Damage to property	5,991 05	3,210 31
Damage to stock on right of way	5,182 45	6,377 12
Injuries to persons	6,734 41	10,706 69
Operating joint tracks and facilities *Dr.*	6,571 83	4,182 44
Operating joint tracks and facilities *Cr.*	*418 91*	*270 19*
Total Transportation Expenses	$466,973 45	$456,925 94

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED JUNE 30, 1913, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued.*

ACCOUNTS	EXPENSES FOR 1912-1913	EXPENSES FOR 1911-1912
GENERAL EXPENSES:		
Salaries and expenses of general office	$26,881 66	$16,756 46
Salaries and expenses of clerks and attendants	35,686 21	31,958 24
General office supplies and expenses	6,333 71	6,976 14
Law expenses	25,199 48	27,247 23
Insurance	3,310 40	5,467 56
Stationery and printing	8,036 09	6,213 50
Other expenses	6,892 51	1,940 13
General administration joint tracks, yards and terminals.....*Dr.*	16 91	16 10
Total General Expenses	$112,356 97	$96,575 36

TRAFFIC STATISTICS FOR YEAR ENDED JUNE 30, 1913

	YEAR ENDED JUNE 30, 1913	YEAR ENDED JUNE 30, 1912	INCREASE	DECREASE
AVERAGE MILES OF ROAD OPERATED	256.10	256.10		
PASSENGER TRAFFIC				
Number of passengers	403,432	330,976	72,456	
Number of passengers carried one mile	9,143,487	6,998,585	2,144,902	
Number of passengers carried one mile per mile of road	35,703	27,328	8,375	
Average distance each passenger travelled (miles)	22.66	21.15	1.51	
Total revenue from passengers	$202,102 83	$167,333 61	$34,769 22	
Average amount received from each passenger (cents)	50.10	50.56	....	.46
Average receipts per passenger per mile (cents)	2.21	2.39	....	.18
Total passenger train revenue	$237,436 64	$203,172 56	$34,264 08	
Passenger train revenue per mile of road	$927 12	$793 33	133.79	
Passenger train revenue per train mile (cents)	64.02	54.65	9.37	
Average number of passengers per passenger train mile	25	19	6	
Average number of passengers per passenger car mile	12	9	3	
FREIGHT TRAFFIC				
REVENUE COAL TRAFFIC				
Tons of coal carried	1,688,811	1,654,138	34,673	
Tons of coal carried one mile	343,618,877	351,792,523	....	8,173,646
Tons of coal carried one mile per mile of road	1,341,737	1,373,653	....	31,916
Average distance hauled per ton (miles)	203.47	212.67	....	9.20
Total coal freight revenue	$1,582,836 00	$1,537,257 71	$45,578 29	
Average amount received for each ton (cents)	93 72	92.93	0.79	
Average receipts per ton per mile (cents)	0.46	0.44	0.02	
Coal freight revenue per mile of road	$6,180 54	$6,002 57	$177 97	
REVENUE MERCHANDISE FREIGHT				
Tons of merchandise carried	805,036	505,027	300,009	
Tons of merchandise carried one mile	63,863,486	38,890,633	24,972,853	
Tons of merchandise carried one mile per mile of road	249,369	151,857	97,512	
Average distance hauled per ton (miles)	79.33	77.01	2.32	
Total merchandise freight revenue	$794,584 12	$566,732 35	$227,851 77	
Average amount received for each ton (cents)	98.70	112.22	....	13.52
Average receipts per ton per mile (cents)	1.24	1.46	....	0.22
Merchandise freight revenue per mile of road	$3,102 63	$2,212 93	$889 70	

TRAFFIC STATISTICS FOR YEAR ENDED JUNE 30, 1913—*Continued*

	YEAR ENDED JUNE 30, 1913	YEAR ENDED JUNE 30, 1912	INCREASE	DECREASE
TOTAL REVENUE FREIGHT				
Tons of freight carried	2,493,847	2,159,165	334,682	
Tons of freight carried one mile	407,482,363	390,683,156	16,799,207	
Tons of freight carried one mile per mile of road	1,591,106	1,525,510	65.596	
Average distance hauled per ton (miles)	163.40	180.94	....	17.54
Total freight revenue	$2,377,420 12	$2,103,990 06	$273,430 06	
Average amount received for each ton (cents)	95.33	97.44	....	2.11
Average amount received per ton per mile (cents)	0.58	0.54	0 04	
Freight revenue per mile of road	$9,283 17	$8,215 50	$1,067 67	
Freight revenue per train mile	$6 73	$5 70	$1 03	
Average number tons of freight per train mile	1,154.34	1,059.03	95.31	
Average number tons of freight per loaded car mile	38.91	40.06	....	1.15
ALL FREIGHT (including company material hauled free)				
Number of tons carried	2,641,833	2,278,545	363,288	
Number of tons carried one mile	421,774,897	400,447,006	21,327,891	
Average number of tons of freight per train mile	1,194.83	1,085.50	109.33	
Average number tons of freight per loaded car mile	40.28	41.07	....	.79
REVENUE AND OPERATING EXPENSES				
Passenger and freight train revenue	$2,614,856 76	$2,307,162 62	$307,694 14	
Passenger and freight train revenue per mile of road	10,210 30	9,008 83	1,201 47	
Gross operating revenue	2,634,634 54	2,321,803 30	312,831 24	
Gross operating revenue per mile of road	10,287 52	9,066 00	1,221 52	
Gross operating revenue per revenue train mile	4 24	3 63	0 61	
Operating expenses (taxes excluded)	1,118,629 83	1,060,725 92	57,903 91	
Operating expenses per mile of road	4,367 94	4,141 84	226 10	
Operating expenses per revenue train mile	1 80	1 66	0 14	
Net operating revenue	1,516,004 71	1,261,077 38	254,927 33	
Net operating revenue per mile of road	5,919 58	4,924 16	995 42	
Net operating revenue per revenue train mile	2 44	1 97	0 47	

CLASSIFICATION OF FREIGHT HANDLED DURING YEAR ENDED JUNE 30, 1913, COMPARED WITH SAME PERIOD PREVIOUS YEAR

(NET TONS)

	YEAR ENDED JUNE 30, 1913.	YEAR ENDED JUNE 30, 1912.	INCREASE.	DECREASE.
PRODUCTS OF AGRICULTURE				
Grain	26,921	21,536	5,385	
Flour	18,477	19,271		794
Other Mill Products	6,017	4,858	1,159	
Hay	8,440	10,091		1,651
Cotton	711	1,132		421
Fruits and Vegetables	1,722	1,128	594	
Other Products of Agriculture	1,349	2,908		1,559
PRODUCTS OF ANIMALS				
Live Stock	1,259	1,995		736
Dressed Meats	1,168	977	191	
Other Packing House Products	5,331	3,400	1,931	
Poultry, Game and Fish	607	36	571	
Hides and Leather	178	146	32	
Other Products of Animals	6,991	9,581		2,590
PRODUCTS OF MINES				
Bituminous Coal	1,688,811	1,654,138	34,673	
Coke	106		106	
Ores	3,863	4,782		919
Stone, Sand and other like articles	226,213	92,506	133,707	
Other Products of Mines	8,410	5,567	2,843	
PRODUCTS OF FORESTS				
Lumber	189,018	151,354	37,664	
Other Products of Forests	39,684	32,774	6,910	
MANUFACTURES				
Petroleum and Other Oils	936	667	269	
Sugar	1,058	1,106		48
Naval Stores	39		39	
Iron—pig and bloom	6,197	3,765	2,432	
Iron and Steel Rails	3,854	3,318	536	
Other Castings and Machinery	9,086	7,910	1,176	
Bar and Sheet Metal	1,369	199	1,170	
Cement	101,863	34,894	66,969	
Brick and Lime	55,936	37,346	18,590	
Agricultural Implements	3,278	2,611	667	
Wagons, Carriages, Tools, Etc.	3,786	2,850	936	
Wines, Liquors, and Beers	284	37	247	
Household Goods and Furniture	1,388	1,295	93	
Other Manufactures	13,399	11,604	1,795	
Merchandise	47,040	30,548	16,492	
Miscellaneous	9,058	2,835	6,223	
Total Tonnage	2,493,847	2,159,165	343,400	8,718
Net Increase			334,682	

LIST OF NEW INDUSTRIES ESTABLISHED DURING YEAR ENDED JUNE 30, 1913

Shipping Point	Name	Character
Altapass..........N. C...	Benfield & McCall	Saw Mill
Altapass.......... " ...	J. S. Saylor..	Saw Mill
Boone...... ......Tenn..	McKenzie Canning Co................................	Cannery
Boonford ....N. C...	Edge, Hall Mica Co	Sheet and Punch Mica
Boonford .... " ...	H. L. Robinson..	Saw Mill
Enola........ .....S. C...	Enola Ginning Co..	Ginnery
Enola.............. " ...	J. M. Easler..............	Ginnery
Ft. Blackmore...Va.....	Sam Wilburn...........................	Saw Mill
Ft. Blackmore... "	W. R. Bevins	Saw Mill
Ft. Blackmore... "	Lee McConnell	Saw Mill
Harris ....N. C...	C. M. Harris.....	Saw Mill
Johnson City.....Tenn..	Johnson City Boiler Works......	Boiler and Machine Shop
Johnson City..... " ..	Hice Mfg. Co	Woodworking (Double Capac.)
Kingsport..... ... " ..	Clinchfield Portland Cement Corp'n....	Cement (Double Capacity)
Kingsport......... " ..	Kingsport Brick Corp'n	Brick (Double Capacity)
Logan..... ....N. C...	Weldon Withers..	Ginnery
Logan.............. " ...	G. M. Logan	Saw Mill
Poplar............. " ...	W. M. Gouge..........................	Saw Mill
Poplar.. .... " ...	L. Peterson....................	Saw Mill
Relief.............. " ..	C. E. Howard.........	Saw Mill
Spruce Pine.. ... " ...	N. C. Spar and Talc Co...............................	Feldspar
Spruce Pine...... " ...	Carolina Mineral Co.	Feldspar (Branch plant)

STATEMENT OF OPERATING REVENUES AND EXPENSES

FOR FOUR YEARS, 1910 TO 1913, INCLUSIVE

OPERATING REVENUES

Years Ended June 30	Coal Freight	Merchandise Freight	Passenger	Mail and Express	Miscellaneous	Total Operating Revenues	Net Operating Revenue
1910	$709,579 03	$263,777 70	$141,956 03	$17,213 76	$18,864 36	$1,151,390 88	$375,156 44
1911	1,140,606 32	448,893 77	171,504 18	20,170 92	30,580 13	1,811,755 32	813,897 63
1912	1,537,257 71	566,732 35	167,333 61	22,337 84	28,141 79	2,321,803 30	1,261,077 38
1913	1,582,836 00	794,584 12	202,102 83	24,555 66	30,555 93	2,634,634 54	1,516,004 71

The Ratio of Each Class of Operating Revenues to Total Operating Revenues is as follows:

	1910	1911	1912	1913
Coal Freight	61.63	62.95	66.21	60.08
Merchandise Freight	22.91	24.78	24.41	30.16
Passenger	12.33	9.47	7.21	7.67
Mail and Express	1.50	1.11	.97	.93
Miscellaneous	1.63	1.69	1.20	1.16

OPERATING EXPENSES

Years Ended June 30	Maintenance of Way and Structures	Maintenance of Equipment	Traffic Expenses	Transportation Expenses	General Expenses	Total Operating Expenses	Ratio of Total Expenses to Revenues
1910	$135,748 15	$190,589 41	$66,318 09	$270,867 65	$112,711 14	$776,234 44	67.42
1911	165,200 50	238,335 53	81,304 65	406,676 47	106,340 54	997,857 69	55.08
1912	167,768 36	256,517 78	82,938 48	456,925 94	96,575 36	1,060,725 92	45.69
1913	181,825 10	260,711 05	96,763 26	466,973 45	112,356 97	1,118,629 83	42.45

The Ratio of Each Class of Operating Expenses to Total Operating Revenues is as Follows:

	1910	1911	1912	1913
Maintenance of Way and Structures	11.79	9.12	7.23	6.90
Maintenance of Equipment	16.55	13.15	11.05	9.89
Traffic Expenses	5.76	4.49	3.57	3.67
Transportation Expenses	23.53	22.45	19.68	17.72
General Expenses	9.79	5.87	4.16	4.27

MONTHLY OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED JUNE

	OPERATING REVENUES					
	COAL FREIGHT	MERCHANDISE FREIGHT	PASSENGER	MAIL AND EXPRESS	MISCELLANEOUS	TOTAL
July, 1912	$116,557 28	$55,353 26	$19,195 02	$2,089 98	$3,058 43	$196,253 97
August, "	140,167 49	69,722 08	21,398 89	2,070 23	3,324 34	236,683 03
September, "	121,672 96	64,257 92	18,292 79	2,142 89	2,616 66	208,983 22
October, "	142,428 05	69,700 78	16,785 75	2,135 32	2,356 15	233,406 05
November, "	141,290 49	69,263 03	14,635 79	1,978 11	2,032 14	229,199 56
December, "	122,566 20	62,484 72	17,471 66	2,104 43	1,779 34	206,406 35
January, 1913	139,995 73	58,557 53	14,880 87	2,071 40	2,122 71	217,628 24
February, "	132,809 93	52,255 28	13,294 81	2,247 99	2,566 71	203,174 72
March, "	124,335 20	66,495 80	15,119 36	1,820 03	2,699 74	210,470 13
April, "	138,993 26	75,903 24	14,831 36	1,895 61	2,279 49	233,902 96
May, "	132,846 12	84,184 25	17,902 52	2,005 42	3,219 57	240,157 88
June, "	129,173 29	66,406 23	18,294 01	1,994 25	2,500 65	218,368 43
Total year ended June 30, 1913	$1,582,836 00	$794,584 12	$202,102 83	$24,555 66	$30,555 93	$2,634,634 54
Total year ended June 30, 1912	1,537,257 71	566,732 35	167,333 61	22,337 84	28,141 79	2,321,803 30
Increase......	$45,578 29	$227,851 77	$34,769 22	$2,217 82	$2,414 14	$312,831 24
Increase, per cent.	2.96	40.20	20.78	9.93	8.58	13.47

THE RATIO OF EACH CLASS OF REVENUE TO TOTAL OPERATING REVENUES IS AS FOLLOWS:

	1913	1912	INCREASE OR DECREASE
Coal Freight....	60.08	66.21	D *6.13*
Merchandise Freight..	30.16	24.41	I 5.75
Passenger	7.67	7.21	I .46
Mail and Express..............	.93	.96	D *.03*
Miscellaneous..	1.16	1.21	D *.05*

30, 1913, COMPARED WITH TOTALS FOR THE YEAR ENDED JUNE 30, 1912

OPERATING EXPENSES						Net Operating Revenue
Maintenance of Way and Structures	Maintenance of Equipment	Traffic Expenses	Transportation Expenses	General Expenses	Total	
$15,032 00	$18,350 48	$7,384 77	$36,937 87	$7,191 96	$84,897 08	$111,356 89
17,322 22	16,993 59	8,244 11	36,879 52	6,562 34	86,001 78	150,681 25
14,095 92	20,440 92	8,100 35	36,970 40	7,563 08	87,170 67	121,812 55
13,728 71	22,923 61	7,971 27	38,184 16	7,318 96	90,126 71	143,279 34
16,081 37	25,200 49	7,452 97	37,770 26	8,662 89	95,167 98	134,031 58
12,704 34	17,780 49	7,392 03	37,979 12	8,021 18	83,877 16	122,529 19
13,141 14	23,954 14	8,516 85	39,336 56	8,753 51	93,702 20	123,926 04
15,187 40	22,204 74	7,871 16	37,680 53	8,706 59	91,650 42	111,524 30
15,123 71	20,700 38	7,868 08	41,054 83	11,762 25	96,509 25	113,960 88
17,956 41	23,044 75	7,836 27	40,331 62	12,605 42	101,774 47	132,128 49
18,134 52	20,975 83	9,401 99	42,286 61	11,707 53	102,506 48	137,651 40
13,317 36	28,141 63	8,723 41	41,561 97	13,501 26	105,245 63	113,122 80
$181,825 10	$260,711 05	$96,763 26	$466,973 45	$112,356 97	$1,118,629 83	$1,516,004 71
167,768 36	256,517 78	82,938 48	456,925 94	96,575 36	1,060,725 92	1,261,077 38
$14,056 74	$4,193 27	$13,824 78	$10,047 51	$15,781 61	$57,903 91	$254,927 33
8.38	1.63	16.67	2.20	16.34	5.46	20.22

THE RATIO OF EACH CLASS OF OPERATING EXPENSES TO TOTAL OPERATING REVENUES IS AS FOLLOWS:

	1913	1912	Increase or Decrease
Maintenance of Way and Structures	6.90	7.23	D *.33*
Maintenance of Equipment	9.89	11.05	D *1.16*
Traffic Expenses	3.67	3.57	I .10
Transportation Expenses	17.72	19.68	D *1.96*
General Expenses	4.27	4.16	I .11

STATEMENT OF MILEAGE OF TRACK OPERATED

		June 30, 1913	June 30, 1912	Comparison with June 30, 1912	
				Increase	Decrease
OWNED					
Main Line					
In Virginia: Kiser to Laurel Junction	5.60				
Dante to Va-Tenn. State Line	51.88	57.48	57.48		
In Tennessee: Va-Tenn. State Line to Johnson City, Tenn.	33.35				
Johnson City, Tenn. to Tenn-North Carolina State Line	21.63	54.98	54.98		
In North Carolina		116.61	116.61		
In South Carolina (C. C. & O. Ry. of S. C.)		17.95	17.95		
		247.02	247.02		
Branches and Spurs					
In Virginia: Spur Hurricane Junction to End of Track	1.52*				
Spur, Laurel Junction to Laurel Tipple	3.39*				
Dante, Va., to Tipple No. 2	0.78*				
Dante, Va., to Foot of Switchback	1.27*	6.96*	6.96		
In Tennessee: Carnegie Spur		2.32	2.32		
In North Carolina: Bostic Yard to Bostic, N. C.		.80	.80		
		10.08	10.08		
LEASED					
Main Line					
In Tennessee: E. T. & W. N. C. R. R. in Johnson City, Tenn.		.63	.63		
TRACKS USED JOINTLY					
In Virginia: N. & W. Ry., Kiser to St. Paul, Va		8.45	8.45		
Grand Total		266.18	266.18		
Total Mileage operated(*a*)		256.10	256.10		
Average Mileage operated(*a*)		256.10	256.10		
First track, owned, operated and leased		257.73	257.73		
First track, used jointly		8.45	8.45		
Sidings, owned		93.95†	93.13	0.82	
Sidings, leased		0.61	0.61		
Total All Tracks		360.74	359.92	0.82	

* Rails and fastenings owned by C. C. & O. Ry, Roadbed and ties owned by other parties.

† On 8.281 miles of this, ties and roadbed owned by other parties, rails and fastenings owned by C. C. & O. Ry.

(*a*) Excludes spur lines on which no regular trains are run.

SIDINGS, SPURS AND ADDITIONAL YARD TRACKS, BUILT DURING YEAR ENDED JUNE 30, 1913

OWNED

Mile Post		Miles
	Virginia.	
	Supply Track on Middle Fork for Elkhorn Extension Contractors	.127
41.	Extension of Station Siding at Dante, Va	.011
50.	Temporary Track for dumping tunnel material in Dante Yard	.117
55.3	Commercial Siding known as Shannon	.047
73.1	Extension of Greer Siding	.011
74.9	Commercial Siding off of Starnes Passing Siding	.087
86.0	Extension of Quarry Track for Clinchfield Portland Cement Corporation	.085
86.2	Coal Tipple Track for Clinchfield Portland Cement Corporation	.064
	Tennessee.	
100.0	Extension of Siding for Kingsport Brick Corporation	.052
100.0	Switch at north end of Kingsport Wye	.008
102.4	Ford Siding	.056
109.7	Station Siding at Fordtown	.074
125.	Johnson City Yard—Track No. 1	.605
	—Scale Track	.258
	—Cross-over on Barrett Passing Siding	.031
	—Engine Track No. 1	.092
	—Engine Track No. 2	.141
	—Engine Track No. 3	.122
128.	Extension Miller Bros. Siding	.003
	Carnegie Yard, Extension Hice Mfg. Co. Siding	.028
141.3	Extension Unicoi Const. Co Siding	.050
142.	Erwin Yard—Track No. 7	.168
	—Track No. 8	.168
	—Track No. 10	.435
	—Car Repair Track	.185
	—Cab Track Extension	.161
	North Carolina.	
161.5	Pigeon Roost Commercial Siding	.099
167.7	Station Siding at Green mountain	.044
185.0	Extension Conley Passing Siding	.207
187.5	Commercial Siding for North Carolina Talc Co	.091
210.9	Siding for Avery Coaling Station	.182
211.1	Extension of McCall Siding	.074
213.5	Pitts Commercial Siding	.085
216.4	Commercial Siding for T. T. Adams Co	.087
233.2	Fero Station Siding	.103
244.2	Commercial Siding for Morris & Cline	.062
246.1	Logan Station Siding	.129
248.5	Harmon Commercial Siding	.060
	South Carolina.	
268.2	Warehouse Track for Chesnee Cotton Mill	.097
	Total	4.506
	Tracks removed during the year	3.688
	Net length of track added during the year	0.818

EXPENDITURES FOR ADDITIONS AND BETTERMENTS CHARGED TO CAPITAL ACCOUNT, FOR THE YEAR ENDED JUNE 30, 1913

Right of way and station grounds	$668	42
Tunnel improvements	55,640	06
Bridges, trestles and culverts	19,347	88
Increased weight of rail	3,266	08
Ballast	4,843	05
Sidings and spur tracks—(Credit)	*142,827*	*20*
Terminal yards	16,519	70
Fencing right of way	218	70
Elimination of grade crossings	2,123	30
Telegraph and telephone lines	8,358	93
Station buildings and fixtures	13,051	39
Shops, engine houses and turntables	9,220	75
Shop machinery and tools	10,273	06
Water and fuel stations	10,371	57
Miscellaneous structures	12,452	70
Locomotives	60,939	61
Freight-train cars	1,138,684	61
Passenger-train cars—(Credit)	*2,199*	*20*
Total	$1,220,953	41

ADDITIONS AND BETTERMENTS

Two concrete portals and 1060 feet of concrete lining placed in Marion tunnel, which covers the entire length of this tunnel.

Two concrete portals and 535 linear feet of concrete lining placed in Quinns Knob tunnel, which covers the entire length of this tunnel.

One concrete portal and 30 feet of concrete lining placed in north end of Blue Ridge tunnel.

One concrete portal and 30 linear feet of concrete lining placed in south end of second Washburn tunnel.

180 feet of concrete lining has been placed in Clinchport tunnel, leaving 414 feet of lining to be placed during coming year.

One concrete culvert put in on side track at the quarry of Clinchfield Portland Cement Corporation at Speer's Ferry, Va.

Two concrete abutments were built at the eighth crossing of Lick Creek at Fink, Va., to replace two wooden piers, and trestle approaches to these abutments were filled.

Two concrete abutments and rock fills were built in substitution for wooden piers and trestle approaches in Bull Run bridge near Shannon, Va.

Work in progress building two concrete abutments in substitution for wooden supports of Guest River bridge.

19,568 cubic yards of stone and 9,096 cubic yards of slag were placed in tracks.

15.24 miles of roadbed and bridges with ties, covering tracks to mine operations in Virginia, sold to Clinchfield Coal Corporation. The railway retains ownership of the rails and fastenings.

Additional tracks aggregating 143 linear feet were laid in Erwin yard.

An engine yard containing 6,430 linear feet of tracks. One 100-foot turntable with tractor. One 75-ton scale (removed from Carnegie) in concrete pit and two small wooden buildings were built at Johnson City, Tenn., and the old facilities at Carnegie removed.

A new track scale of 100 ton capacity installed at Sevier, N. C.

A wooden overhead bridge on concrete abutments was built, eliminating grade crossing on county road leading from Johnson City to Jonesboro.

A new copper wire was added to the telephone line between Johnson City, Tenn., and Dante, Va.

New wooden stations were built at Fort Blackmore, Va., Fordtown, Tenn., and Mt. Mitchell, N. C., and a joint station with the V. & S. W. Railway is in process of construction at Speer's Ferry, Va.

Shelter sheds were built at Hamlin, Va., Hardwood, Va., Starnes, Va., Wood, Va., Gray, Tenn., Marbleton, Tenn., Relief, N. C., and Forbes, N. C.

A new hydraulic wheel press, two 12,000-gallon metal oil tanks and a wheel-turning machine have been installed at Erwin shops.

A new coaling station has been erected at Avery, N. C.

A 14-room boarding house is in process of erection at Dante, Va.

MAINTENANCE OF EQUIPMENT

LOCOMOTIVES

Type.	Owned or Leased June 30, 1912	Owned or Leased June 30, 1913	Weight and Tractive Power	
			Average Weight	Average Tractive Power
Mogul (2–6–0)	1	1	126,000	21,400
Ten-wheel (4–6–0)	5	5	158,420	27,460
Consolidation (2–8–0)	2	1	114,000	26,000
Consolidation (2–8–0)	2	2	178,000	41,160
Consolidation (2–8–0)	15	15	199,150	43,882
Mallet (2–6–6–2)	11	11	375,373	76,786
Pacific (4–6–2)	3	3	235,000	37,140
Total	39	38	9,209,453	1,881,316
Average			242,354	49,508

Obsolete and held for disposal (not included above) as of June 30, 1913, Nos. 32, 33, 35 and 36. Total 4.

	Year Ended June 30, 1913	Year Ended June 30, 1912	Increase	Decrease
Number of locomotives through shop	38	39		1
Number of locomotives in shop being repaired and awaiting repairs at end of year	5	5		
Average amount expended per locomotive in service for repairs	$2,280 53	$2,733 76		$453 23

PASSENGER CARS

Average amount expended for repairs and cleaning per passenger train car owned	$411 62
Number of passenger train cars through shop	14
Number of passenger train cars in shop at end of year	2

Owned and in Service	Construction	Year Ended June 30, 1913	Year Ended June 30, 1912	Increase	Decrease
Combination, baggage and mail	Wooden*	0	1	0	1
	Steel under frame	2	2		
	All Steel	6	6		
Combination, baggage and express	Wooden	1	1		
Coaches	Wooden	1	1		
	Vestibule and Steel under frame	24	24		
Observation		1	1		
Business		2	2		
Total		37	38	0	1

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*No. 1898 sold to Black Mountain Railway.

MAINTENANCE OF EQUIPMENT—*Continued*

FREIGHT CARS

Average amount expended per freight cars owned	$19.43
Total number of freight train cars repaired	47,972

Owned and in Service	Description	Capacity in Pounds	Year Ended June 30, 1913	Year Ended June 30, 1912	Increase	Decrease
Box	Wood	60,000	228	231	....	3
Box	Steel underframe	60,000	248	249	....	1
Flat	Wood	40,000	6	8	....	2
Flat	Wood	60,000	92	99	....	7
Flat	Steel underframe	100,000	100	100		
Gondolas	Steel	100,000	748	748		
Hoppers	Steel	100,000	3,332	3,334	....	2
Caboose	Steel underframe	....	16	16		
Camp	Wood	....	19	20	....	1
Ballast (old hopper and gondolas)	Wood	....	....	(*a*) 70	....	70
Dump	Steel	....	20	20		
Pile driver	Steel underframe	....	1	1		
Derrick	Steel	....	1	1		
Steam shovels	Steel underframe	....	2	2		
Scoop	Wood	....	2	2		
Spreaders	Wood	....	3	2	1	
Scale test	Steel	....	1	1		
Totals	....	....	4,819	4,904	1	86
Freight Car Equipment						
Number of revenue cars in service			4,606	4,770	0	164
Tonnage capacity			226,160	226,680	0	520
Average tonnage capacity			49.10	47.52	1.58	0
Freight Locomotives						
Number			30	31	....	1
Total tractive power, pounds			1,632,696	1,658,590	....	25,894
Average tractive power, pounds			54,423	53,503	920	

All cars equipped with air brakes.

(*a*) Sold during year.

EQUIPMENT PERFORMANCE

	YEAR ENDED JUNE 30, 1913	YEAR ENDED JUNE 30, 1912	INCREASE	DECREASE
LOCOMOTIVES				
COST PER MILE RUN (Cents)				
Enginemen	10.83	10.11	0.72	
Enginehouse Expenses	1.97	2.03	....	0.06
Fuel	11.09	11.86	....	0.77
Water	0.54	0.58	....	0.04
Lubricants	0.48	0.52	....	0.04
Other Supplies	0.40	0.36	0.04	
Repairs and Renewals	8.99	10.89	....	1.90
Depreciation	0.58	0.37	0.21	
Total cost per locomotive mile (cents)	34.88	36.72	....	1.84
Pounds coal consumed per locomotive mile	216.75	236.15	....	19.40
Pounds coal consumed per freight locomotive mile	313.57	342.35	....	28.78
Pounds coal consumed per passenger locomotive mile	107.91	109.52	....	1.61
Pounds coal consumed per mixed locomotive mile	230.98	233.93	....	2.95
Pounds coal consumed per special locomotive mile	107.91	109.52	....	1.61
Pounds coal consumed per switching locomotive mile	126.53	139.54	....	13.01
Pounds coal consumed per non-revenue locomotive mile	102.23	112.79	....	10.56
Locomotive miles per ton of coal	9.23	8.47	0.76	
Freight locomotive miles per ton of coal	6.38	5.84	0.54	
Passenger locomotive miles per ton of coal	18.53	18.26	0.27	
Mixed locomotive miles per ton of coal	8.66	8.55	0.11	
Special locomotive miles per ton of coal	18.53	18.26	0.27	
Switching locomotive miles per ton of coal	15.81	14.33	1.48	
Non-revenue locomotive miles per ton of coal	19.56	17.73	1.83	
Locomotive miles run per pint of oil	11.98	14.72	....	2.74
Average number of locomotives in service per month	37.00	39.00	....	2.00
Average mileage per locomotive per month	2,167	2,109	58.00	
PASSENGER CARS				
Pounds coal consumed per passenger train car mile	53.08	46.31	6.77	
Number passenger cars handled one mile per ton of coal	37.68	43.19	....	5.51
FREIGHT CARS				
Pounds coal consumed per freight car mile (excluding caboose)	8.76	10.04	....	1.28
Number freight cars handled one mile per ton of coal	228.19	199.26	28.93	

MILEAGE STATISTICS

	YEAR ENDED JUNE 30, 1913	YEAR ENDED JUNE 30, 1912	INCREASE	DECREASE
LOCOMOTIVE MILEAGE				
Of revenue freight trains	427,144	461,218	....	34,074
Of revenue passenger trains	266,070	265,974	96	
Of revenue mixed trains	125,824	107,996	17,828	
Of revenue special trains	3,820	5,303	....	1,483
Of revenue switching service	100,822	99,040	1,782	
Of non-revenue trains	42,143	39,093	3,050	
Total	965,823	978,624	22,756	35,557
Net decrease	....	....	....	12,801
TRAIN MILEAGE				
Of revenue freight trains	246,981	261,936	....	14,955
Of revenue passenger trains	264,871	264,802	69	
Of revenue mixed trains	106,019	106,969	....	9.50
Of revenue special trains	3,820	5,207	....	1,387
Of non-revenue trains	41,456	38,175	3,281	
Total	663,147	677,089	3,350	17,292
Net decrease	....	....	....	13,942
CAR MILEAGE AND STATISTICS				
Mileage of loaded freight cars	10,471,987	9,751,511	720,476	
Mileage of empty freight cars	8,125,233	8,167,547	....	42,314
Mileage of caboose cars	247,173	262,934	....	15,761
Total mileage of freight train cars	18,844,393	18,181,992	720,476	58,075
Net increase	....	....	662,401	
Mileage of passenger cars	739,354	751,898	....	12,544
Mileage of sleeping, parlor, and observation cars	1,709	2,585	....	8.76
Mileage of other passenger train cars	352,245	381,638	....	29,393
Total mileage of passenger train cars	1,093,308	1,136,121	....	42,813
Mileage of special cars	29,123	30,214	....	1,091
Mileage of non-revenue cars	368,045	350,482	17,563	
Average number of loaded cars in each freight train	29.66	26.43	3.23	
Average number of empty cars in each freight train, excluding caboose	23.02	22.14	.88	
Average number of cars in each freight train excluding caboose	52.68	48.57	4.11	
Percentage of loaded cars in each freight train	56.30	54.42	1.88	
Average number of passenger train cars in each passenger train	2.95	3.06	....	.11

MAINTENANCE OF WAY AND STRUCTURES

Total Expenditure for Maintenance of Way and Structures, $181,825.10, or $709.98 per mile operated.

WEIGHT OF RAIL IN MAIN TRACK YEAR ENDED JUNE 30, 1913

	C., C. & O. Railway			C., C. & O. Railway of S. C.		Total
	Main Line	Branches	Sidings	Main Line	Sidings	Main Line and Branches
	Miles	Miles	Miles	Miles	Miles	Miles
Owned						
90-lb. Rail	2.95	......	0.43	......	......	3.38
85-lb. Rail	221.01	7.78	37.87	17.95	4.28	288.89
80-lb. Rail	5.11	......	3.55	......	......	8.66
60-lb. Rail	......	2.30	46.61	......	1.07	49.98
45-lb. Rail	......	......	0.14	......	......	0.14
Total owned	229.07	10.08	88.60	17.95	5.35	351.05
Leased						
85-lb. Rail	0.63	......	0.61	......	......	1.24
Total owned and leased	229.70	10.08	89.21	17.95	5.35	351.47

The above does not include 8.45 miles Norfolk & Western Ry. from St. Paul to Kiser, over which the Company has trackage rights, but does include lines purchased from the Elkhorn Southern Ry. and lines leased from the E. T. & W. N. C. R. R. in Johnson City.

45,054 cross ties used in maintaining existing tracks.

BALLAST IN MAIN TRACK ON JUNE 30, 1913

Additional ballast placed on track during the year as follows :

	Virginia	Tennessee	North Carolina	South Carolina	Total
Stone—cubic yards	5,380	2,108	4,720	7,360	19,568
Slag " "	1,432	1,864	3,920	1,880	9,096
Total	6,812	3,972	8,640	9,240	28,664

General distribution of all ballast is as follows :

	Main Line		Branch Line	
	C., C. & O. Ry.	C., C. & O. Ry. of S. C.	C., C. & O. Ry.	Total
	Miles	Miles	Miles	Miles
Stone	170.29	9.90	—	180.19
Slag	53.64	6.20	9.76	70.92
Sand	1.22	1.45	—	2.67
Bridges	3.92	0.40	0.32	4.64
Total	229.07	17.95	10.08	257.10

Tracks used jointly, excluded.
In general, stone ballast used in cuts and old embankments.
Slag and sand used on embankments liable to settlement.

COMPARATIVE STATEMENT OF MATERIAL AND SUPPLIES ON HAND

	June 30, 1913	June 30, 1912	Increase.	Decrease.
Air brakes and parts	$2,084 07	$1,547 02	$537 05	
Asbestos, brick and cement	1,507 10	1,039 38	467 72	
Axles and wheels	3,777 93	2,432 44	1,345 49	
Bolts, nuts, rivets and screws	5,902 61	1,529 11	4,373 50	
Brass and bronze	858 40	1,221 56	....	$363 16
Car trimmings	1,495 47	984 88	510 59	
Castings (rough)	17,064 72	10,816 44	6,248 28	
Couplers	8,770 01	2,958 36	5,811 65	
Dry goods, rope and twine	136 95	166 28	....	29 33
Electrical material	2,461 86	9,144 96	....	6,683 10
Explosives	399 91	831 01	....	431 10
Finished articles	512 13	1,409 31	....	897 18
Fencing material	757 34	548 52	208 82	
Flues and flue ends	743 83	675 63	68 20	
Fuel	1,698 13	4,564 83	....	2,866 70
Frogs and switches	9,220 06	5,120 91	4,099 15	
Glass, glassware, etc	150 50	125 84	24 66	
Hardware	473 09	400 16	72 93	
Headlights and lamps	236 43	249 16	....	12 73
Hose and rubber goods	2,101 53	1,748 52	353 01	
Iron—bar	12,213 44	6,847 95	5,365 49	
Iron—sheet	1,090 26	739 45	350 81	
Injectors, lubricators, etc	455 98	618 87	....	162 89
Lumber	18,719 50	11,521 26	7,198 24	
Metals—sheet, copper, etc	1,006 32	1,222 10	....	215 78
Oils and waste	1,737 09	3,701 78	....	1,964 69
Paints, varnishes and drugs	1,406 04	3,214 01	....	1,807 97
Pipe and fittings, valves	2,820 13	2,133 03	687 10	
Rails	34,564 73	16,891 12	17,673 61	
Rail fastenings	26,797 73	6,773 16	20,024 57	
Semaphores	751 98	1,002 64	....	250 66
Steel car material	2,169 30	1,421 19	748 11	
Structural iron	1,227 24	1,004 34	222 90	
Springs	1,957 66	1,585 26	372 40	
Ties (steel)	1,826 94	871 82	955 12	
Ties (cross)	15,950 98	4,530 07	11,420 91	
Tools and machinery (shop)	916 97	839 00	77 97	
Tool and spring steel	942 85	833 81	109 04	
Track tools	506 47	242 63	263 84	
Trucks, scales, water tanks	1,969 65	1,976 41	....	6 76
Turntables	5,101 31	7,202 63	....	2,101 32
Material not enumerated above	14,661 82	9,264 58	5,397 24	
Total	$209,146 46	$131,951 43	$94,988 40	$17,793 37
Net Increase	....	....	$77,195 03	

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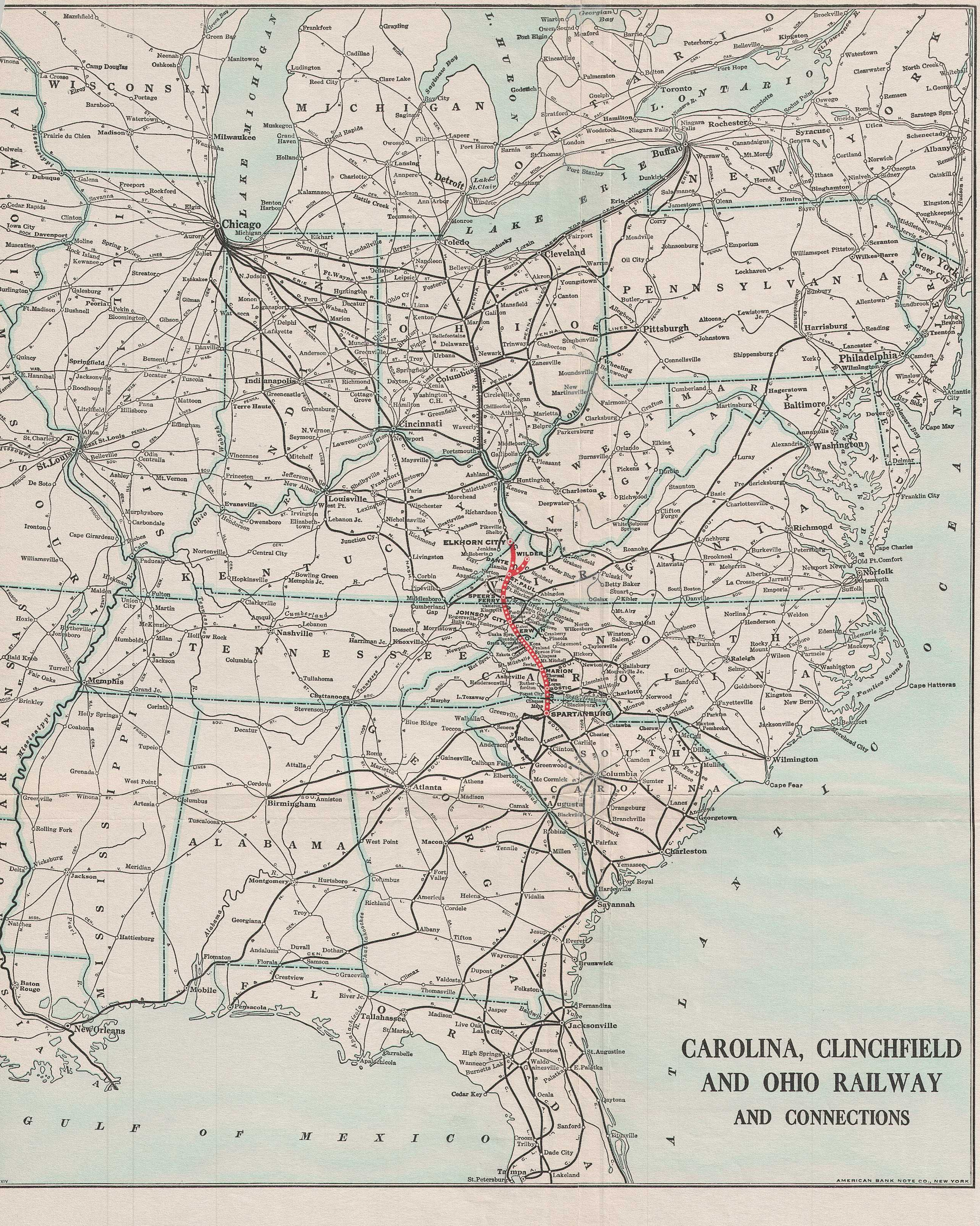
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7-XIV

CAROLINA, CLINCHFIELD AND OHIO RAILWAY
AND CONNECTIONS

AMERICAN BANK NOTE CO., NEW YORK